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July 18, 1994

Office of the Secretary
Federal Communications Commission
Washington, D.C. 20554

RE: CC Docket No. 92-77 -- Billed Party Preference for
O+ InterLATA Calls

Dear Sirs:

Cherokee is a telecommunications company that serves mainly rural markets with quality payphone service. These rural markets in Arizona, Utah, New Mexico, Colorado, Wyoming, Montana, and Texas are generally underserved by the local exchange telephone company. Many of these markets are in areas supplied by small independent telephone companies. The small LEC's do not have the technology to supply adequate state of the art payphones. Our payphones often are the only way rural residents can make phone calls. It is a profitable business for us as long as we can derive revenue from all the calls that are made from the payphones. The cost of servicing and maintaining these remote location payphones is high. We believe we serve the public interest in providing this communications link to many people who otherwise cannot either afford or get phone service.

Billed Party Preference (BPP) would eliminate Cherokee's ability to receive some revenue from a majority of the calls from our payphones. The commissions we get today from IXC's and OSP's allow us to keep these rural market phones installed. If BPP were enacted, Cherokee would have no choice but to remove most of these rural phones because the local coin revenue will not even cover the monthly line charge bill. This massive removal of payphones would eliminate the telephone lifeline for many rural residents. This is not in the public interest nor does it further universal service in the U.S.

Enacting BPP would also require Cherokee to lay off many of its employees who are engaged in servicing the rural payphones.

Enacting BPP is not beneficial to consumers since they can already reach their preferred carrier through access codes of

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1-800, 950, or 10XXX. BPP will be of no benefit if there is no payphone at the store location.


Cherokee is proud of the business we have built serving rural America. The proponents of BPP such as MCI and Sprint do not come out into the rural markets to compete and place payphones. They just want the FCC to mandate that they can get traffic from Cherokee's payphones with no compensation to Cherokee. Companies such as MCI and Sprint should have to fairly compete for business in rural markets not just have it handed to them with no investment on their part. The LEC's also chose not to adequately serve rural markets with payphones. They either do not place them at all or they charge the store owner to have a payphone. BPP is not pro-competitive nor pro-consumer.

I understand the cost of BPP is huge and must be paid for by many consumers who do not even want it nor would use it. BPP may provide some benefit to a small group of business travelers who call from airport payphones, but the vast majority of consumers have no interest in paying for BPP.

In conclusion, enacting BPP will cause Cherokee and rural market consumers great harm both from loss of payphone locations and jobs. BPP will not work from thin air and that is what will be at a small town convenience store instead of a payphone.

Cherokee strongly urges the Commission to not enact BPP as it is not in the public interest, is not pro-consumer (for all consumers), and is not pro-competition.

Sincerely,



Jerry T. Beddow
COO

JTB/mh

cc: Al Kramer - APCC
Alan Saltzman - ZPDI
Bill Bailey - Cherokee